

## LOVELAND AREA CUSTOMERS ASSOCIATION

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September 8, 2003

Mr. Joel K. Bladow  
Regional Manager  
Rocky Mountain Region  
Western Area Power Administration  
P.O. Box 3700  
Loveland, CO 80539-3003

Dear Joel:

The Loveland Area Customer Association (LACA) wishes to provide comments on the Western Area Power Administration's proposed rates for Loveland Area Projects firm electric service.

Our association recognizes the need for the proposed rate increase because of the drought, lack of generation, and subsequent lost revenue from your customers. We appreciate that you were able to hold the line on any rate increase for the past 10 years. We believe that your cost saving efforts will continue and that perhaps the proposed rates are short term, if the weather cooperates.

You have asked customers to comment on whether to use a one-step or two-step rate increase. In general, LACA customers are ambivalent. We note that the first step lasts for only three months, but some of our customers can foresee a small savings with the two-step process. Individual customer responses may help you arrive at a decision.

We have chosen to not comment on your proposed rates for transmission and ancillary services, again leaving individual customers to comment if they have concerns. We are also leaving comments on the proposed Upper Great Plains Region rate increase to our individual customers.

In summary, we appreciate the opportunity to comment and the public process you have followed. Meetings in Lincoln, NE, helped some of us defray costs in airline travel.

Sincerely yours,

Bill Goshorn  
President